

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1175 - SB 1469

March 19, 2020

SUMMARY OF ORIGINAL BILL: Authorizes the Division of TennCare (Division) to electronically submit a report on the use of technical assistance groups of healthcare providers in developing episodes of care to the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (017392): Deletes all language after the enacting clause. Requires the Division of TennCare (Division) to reimburse ambulance service providers for covered services provided to TennCare recipients at a rate not less than 67.5 percent of the federal Medicare program's allowable charge for participating providers. Declares nothing in this section affects the *Ground Ambulance Assessment Act*. Requires the Division to seek an intergovernmental transfer of funds, in consultation with, and subject to approval of, the Commissioner of Finance and Administration (F&A) for the sole purpose of increasing the rate of reimbursement to ambulance service providers that provide covered services to TennCare recipients at a rate greater than a rate not less than 67.5 percent of the federal Medicare program's allowable charge for participating providers.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Exceeds \$6,967,200/FY20-21 and Subsequent Years

Increase Federal Expenditures – Exceeds \$13,451,300/FY20-21 and Subsequent Years

Other Fiscal Impact – It is unknown the amount, availability, and timing of any intergovernmental funds to increase the rate of reimbursement; therefore, an exact fiscal impact cannot be quantified at this time.

Assumptions for the bill as amended:

- The proposed legislation defines “ambulance service provider” as a public or private ground-based ambulatory service that bills for transports and has a base of operations in this state.
- Based on information provided by the Division, the impact of paying all providers at the Medicare rate is estimated to exceed \$20,418,552.
- Medicaid expenditures receive matching funds at a rate of 65.878 percent federal funds to 34.122 percent state funds.
- The total recurring increase in state expenditures is estimated to exceed \$6,967,218 (\$20,418,552 x 34.122%) in FY20-21 and subsequent years.
- The total recurring increase in federal expenditures is estimated to exceed \$13,451,334 (\$20,418,552 x 65.878%) in FY20-21 and subsequent years.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Increase Business Revenue – Exceeds \$20,418,600/FY20-21 and Subsequent Years

Jobs Impact – Not Significant

Assumptions for the bill as amended:

- Ambulance service providers will experience a recurring increase in business revenue exceeding \$20,418,552 in FY20-21 and subsequent years.
- The proposed legislation will not result in a significant increase in services; therefore, any jobs impact or impact on business expenditures is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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